

AMENDED IN ASSEMBLY JUNE 15, 2011

SENATE BILL

No. 776

Introduced by Senator DeSaulnier

February 18, 2011

An act to add Section 14211 to the Unemployment Insurance Code, relating to workforce development.

LEGISLATIVE COUNSEL'S DIGEST

SB 776, as amended, DeSaulnier. Local workforce investment boards: funding.

The federal Workforce Investment Act of 1998 provides for workforce investment activities, including activities in which states may participate. Existing law establishes the California Workforce Investment Board (CWIB), and specifies that the CWIB is responsible for assisting the Governor in the development, oversight, and continuous improvement of California's workforce investment system. Existing law contains various programs for job training and employment investment, including work incentive programs, as specified, and establishes local workforce investment boards to perform various duties related to the implementation and coordination of local workforce investment activities.

This bill would require local workforce investment boards to spend a certain ~~percent~~ *percentage* of available federal funds for adults and dislocated workers on direct client services, workforce training programs, ~~and~~ supportive services, *and other specified services* in a manner consistent with federal law, as prescribed.

Existing law prescribes the duties of the board with regard to the development and implementation of local workforce investment plans, as specified.

This bill would require a local workforce investment board that does not meet the expenditure requirements described above to provide the Employment Development Department with a corrective action plan regarding those expenditures.

Because the bill imposes new duties on local government workforce investment boards, it would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement shall be made pursuant to these statutory provisions for costs mandated by the state pursuant to this act, but would recognize that local agencies and school districts may pursue any available remedies to seek reimbursement for these costs.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 14211 is added to the Unemployment
2 Insurance Code, to read:
3 14211. ~~(a) At least 75 percent of funds available under Title~~
4 ~~I of the federal Workforce Investment Act of 1998 provided to~~
5 ~~local workforce investment boards for adults and dislocated~~
6 ~~workers shall be spent on direct client services, as defined in~~
7 ~~Sections 2864(d)(2), 2864(d)(3)(C), and 2864(d)(4)(D) of Title~~
8 ~~29 of the United States Code. Available funds include all annually~~
9 ~~allocated moneys plus any unspent funds carried over from prior~~
10 ~~years.~~
11 ~~(b) (1) At least 50~~
12 ~~14211. (a) (1) Beginning federal program year 2012, at least~~
13 ~~20 percent of funds available under Title I of the federal Workforce~~
14 ~~Investment Act of 1998 (Public Law 105-220) provided to local~~
15 ~~workforce investment boards for adults and dislocated workers~~
16 ~~shall be spent on workforce training programs and supportive~~
17 ~~services for persons enrolled in training. Only expenditures on~~
18 ~~those programs and services defined as training services under~~
19 ~~Section 2864(d)(4)(D) of Title 29 of the United States Code and~~
20 ~~Section 663.508 of Title 20 of the Code of Federal Regulations~~

~~and supportive services defined in Sections 2801(46) and 2864(e)(2)-(3) of Title 29 of the United States Code, and provided in accordance with the relevant federal regulations (20 C.F.R. 663.800 to 20 C.F.R. 663.840, inclusive), shall count toward this minimum. Supportive services shall count toward this minimum only if the individuals receiving these services are enrolled in training or qualify under Section 663.830 of Title 20 of the Code of Federal Regulations. Available funds include all annually allocated moneys plus any unspent funds carried over from prior years., support services for those enrolled in training, and specified bridge services such as academic remediation services that prepare clients for training. Only expenditures enumerated in paragraphs (4) to (6), inclusive, shall count toward this minimum.~~

(2) Beginning federal program year 2014, at least 30 percent of funds available under Title I of the federal Workforce Investment Act of 1998 (Public Law 105-220) provided to local workforce investment boards for adults and dislocated workers shall be spent on workforce training programs, support services for those enrolled in training, and specified bridge services such as academic remediation services that prepare clients for training. Only expenditures enumerated in paragraphs (4) to (6), inclusive, shall count toward this minimum.

(3) Beginning federal program year 2016, at least 40 percent of funds available under Title I of the federal Workforce Investment Act of 1998 (Public Law 105-220) provided to local workforce investment boards for adults and dislocated workers shall be spent on workforce training programs, support services for those enrolled in training, and specified bridge services such as academic remediation services that prepare clients for training. Only expenditures enumerated in paragraphs (4) to (6), inclusive, shall count toward this minimum.

(4) (A) Expenditures that shall count toward the minimum required by paragraphs (1) to (3), inclusive, include:

(i) Services defined as training under Section 2864(d)(4)(D) of Title 29 of the United States Code and Section 663.508 of Title 20 of the Code of Federal Regulations.

(ii) Supportive services, as defined in Sections 2801(46) and 2864(e)(2)-(3) of Title 29 of the United States Code, including needs-related payments for books, training materials, and tuition relevant to training programs.

1 (iii) *Academic remediation and English-as-a-second-language*
2 *services.*

3 (iv) *Prevocational services offered in combination with*
4 *occupational skills, including occupational bridge programs that*
5 *blend workplace competencies, career exploration, and basic*
6 *literacy in an occupational context.*

7 (v) *Work experience and internships.*

8 (vi) *The amount paid from Workforce Investment Act dislocated*
9 *worker and adult formula funds for competitively bid contracts*
10 *for innovative industry sector training initiative involving multiple*
11 *partners, including, but not limited to, business, labor, and public*
12 *education entities.*

13 (B) *All monetary amounts paid for innovative industry sector*
14 *training contracts allowed as a permissible training expenditure*
15 *under subparagraph (A), must be reasonable and necessary for*
16 *the training of those persons enrolled in the training program*
17 *funded by the contract.*

18 (5) *Supportive services must be provided in accordance with*
19 *the relevant federal regulations (20 C.F.R. 663.800 to 663.840,*
20 *inclusive). Supportive services shall only count toward the*
21 *minimum required by paragraphs (1) to (3), inclusive, if the*
22 *individuals receiving these services are enrolled in training or*
23 *qualify under Section 663.830 of Title 20 of the Code of Federal*
24 *Regulations.*

25 (6) *Prevocational services and occupational bridge programs*
26 *qualifying under paragraph (4) must target one or more of the*
27 *following for consideration as an allowable training expenditure:*
28 *low-skilled low-income adults unprepared to enter postsecondary*
29 *occupational programs; adult education students who do not score*
30 *high enough to enter postsecondary occupational programs; career*
31 *development content, if the focus of the program is on academic*
32 *remediation and occupational skills development.*

33 ~~(2) Services defined as intensive services under Section~~

34 (7) *Intensive services, as defined under Section 2964(d)(3)(C)*
35 *of Title 29 of the United States Code and Section 663.200 of Title*
36 *20 of the Code of Federal Regulations and other applicable*
37 *regulations, shall not be counted toward the minimum training*
38 *expenditure. Supportive services as defined in Sections 2801(46)*
39 *and 2864(e)(2)-(3) of Title 29 of the United States Code, and*
40 *provided in accordance with relevant federal regulations (20 C.F.R.*

~~663.800 to 20 C.F.R. 663.840, inclusive), to persons receiving intensive services shall count toward the mandatory training minimum only if the individuals receiving these services are also enrolled in training as defined in Sections 2864(d)(4)(D) of Title 29 of the United States Code and 663.508 of Title 20 of the Code of Federal Regulations or who qualify under 663.830 of Title 20 of the Code of Federal Regulations: training expenditure, except for those provided for in paragraphs (4) to (6), inclusive.~~

(3)

~~(8) Services defined as core services under Section 2864(d)(2) of Title 29 of the United States Code and Section 663.150 or 663.165 of Title 20 of the Code of Federal Regulations and other applicable regulations shall not be counted toward the minimum training expenditures. Supportive services, as defined by Section 2801(46) and 2864(e)(2)-(3) of Title 29 of the United States Code and provided in accordance with relevant federal regulations (20 C.F.R. 663.800 to 20 C.F.R. 663.840, inclusive) to persons receiving core services shall count toward the mandatory training minimum only if the individuals receiving these services are also enrolled in training as defined in Section 2864(d)(4)(D) of Title 29 of the United States Code and 663.508 of Title 20 of the Code of Federal Regulations or who qualify under 663.830 of Title 20 of the Code of Federal Regulations: training expenditures.~~

(b) Beginning program year 2012, the Employment Development Department shall calculate for each local workforce investment board, within six months after the end of the second program year of the two-year period of availability for expenditure of federal Workforce Investment Act funds, whether the local workforce investment board met the requirements of subdivision (a). The Employment Development Department shall provide to each local workforce investment board its individual calculations with respect to the expenditure requirements of subdivision (a).

(c) A local workforce investment area that does not meet the requirements of subdivision (a) shall submit a corrective action plan to the Employment Development Department that provides reasons for not meeting the requirements and describes actions taken to address the identified expenditure deficiencies. A local workforce investment area shall provide a corrective action plan to the Employment Development Department pursuant to this

1 *section within 90 days of receiving the calculations described in*
2 *subdivision (b).*

3 *(d) In federal program year 2015, the California Workforce*
4 *Investment Board shall use existing resources to evaluate the*
5 *effectiveness of the training expenditure mandates contained in*
6 *this section, including the increase in the number of individuals*
7 *receiving some training services, as defined, and training-related*
8 *placements.*

9 *(e) For the purpose of this section, “program year” has the*
10 *same meaning as provided in the Section 667.100 of Title 20 of*
11 *the Code of Federal Regulations.*

12 *SEC. 2. No reimbursement shall be made pursuant to Part 7*
13 *(commencing with Section 17500) of Division 4 of Title 2 of the*
14 *Government Code for costs mandated by the state pursuant to this*
15 *act. It is recognized, however, that a local agency or school district*
16 *may pursue any remedies to obtain reimbursement available to it*
17 *under Part 7 (commencing with Section 17500) and any other*
18 *provisions of law.*